

COMPT 82-0281

82-44631

24 FEB 1982

MEMORANDUM FOR: Special Assistant, <sup>deputy</sup> ~~Internal~~ Affairs

FROM : Maurice Lipton  
Comptroller

SUBJECT : Presidential Private Sector Survey on Cost Control in the  
Federal Government

REFERENCE : Cabinet Affairs Staffing Memorandum dtd 24 February 1982,  
ER 82-4463, same subject

I have reviewed the Cabinet talking paper on this subject and believe that this effort will clearly help the Agency as well as the other government organizations. While we probably cannot participate directly with the private sector task force because of the classification of our work, I am sure that the conclusions they reach can be applied to our business. Further, Bill Schneider's cleared staff at OMB can channel interim results to us and give us an opportunity to provide feedback.

STAT

  
Maurice Lipton

cc: ExDir

FEB 25 8 29 AM '82

27

12/82  
NSC Paper**FACT SHEET****Presidential Private Sector Survey on Cost Control  
in the Federal Government****Concept**

President Reagan today announced plans for setting up a private sector-sponsored task force to find new ways of controlling the costs of operating the Federal Government. The task force will assist the various departments, agencies, and independent establishments of the Executive Branch to perform their duties in the most cost-effective and efficient manner possible. The task force will be made up of citizens from across the country, drawing particularly from industry, labor, and the academic communities. The Survey group will be an independent 501(c) (3) charitable organization.

The Inspectors General, the Assistant Secretaries from Management, and the Office of Management and Budget will assist the survey teams as necessary and designate areas of interest in each agency for special survey emphasis.

A tax-exempt organization will be established with industry, labor and the academic communities contributing financial and personnel resources.

**Objective**

Special emphasis will be placed on eliminating operational overlap and duplication, identifying nonessential administrative activities and increasing management effectiveness. Primary attention of the task force will be devoted to areas where maximum benefits can be realized from the efforts expended. To achieve measurable results, recommendations will:

- o Identify opportunities for increased efficiency and reduced costs that can be realized by Executive action, Executive Order or Congressional legislation.

- o Determine areas where managerial accountability can be enhanced and administrative control can be improved.

- o Suggest managerial operating improvements over both the short and long term.

- o Pinpoint specific areas where further study can be justified by potential savings.

**Organization**

Three basic groups -- the Executive Committee, the Operating Committee, and Unit Committees -- will form the task force. It is anticipated that many individuals will be involved in the project on a volunteer basis.

o The Executive Committee will consist of leaders from the business, labor and academic communities. Members will be selected for their special abilities to give detailed advice on cost-effective management of large organizations. A chairman of the Executive Committee is expected to be named shortly.

o The Operating Committee will be headed by James W. Nance. Government involvement and assistance will be minimal.

o Unit Committees will consist of varying membership depending on the department or agency under review. A unit leader will be designated from the private sector and will participate in the selection of his/her unit from available resources.

### Scope

This nonpartisan, nonpolitical review will be concerned with all major departments, agencies, independent establishments, and government organizations comprising the Executive Branch of the Government. Initial emphasis will be on the Department of Defense, the Department of Health and Human Services, and the Department of Housing and Urban Development. Other departments and major agencies will be examined in turn.

The survey will concentrate on eliminating duplication and inefficiency. Policy, programs and organizational structure will not be specifically addressed unless special circumstances so dictate.

### Funding

Salaries and expenses of the full- and part-time management specialists will be paid by their respective employers. In addition, private sector organizations will provide funding and services to support the work of the task force.

### Reports

Periodic reports outlining the findings and recommendations of the task force will be submitted to the President.